



## Stanford eCorner

### Strategic Startup Decisions

Etosha Cave, *Opus 12*; Jonah Greenberger, *Bright, Inc.*

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Several young entrepreneurs discuss their most strategic decision at their startup. Etosha Cave, co-founder and chief science officer at Opus 12, says pivoting toward a smaller market allowed her venture to prove its technology while bringing in revenue. Jonah Greenberger, co-founder of solar-energy startup Bright, explains how choosing the right co-founder was his best business decision. They speak with STVP Faculty Co-Director Tina Seelig.



#### Transcript

- What sort of strategic decisions have you had to make that have been really pivotal for your ventures so far? - Yeah, so I can start off, so we, when we first started the company, we were looking at making ethanol out of CO<sub>2</sub>, and the reason being was that we found this huge value proposition, so 10% of what you put in your car now is ethanol, and that ethanol comes from corn ethanol, and in the process of making corn ethanol, for every ton of ethanol they make, they emit a ton of CO<sub>2</sub>, so we could take their CO<sub>2</sub> and make more ethanol and increase CO by 50%. It's a fuel, so we can make this huge impact. And so, we went down this road of making ethanol, and, you know, making it, you know, refining our process so we can make it cost competitively. And then a few things happened, well one, the oil and gas prices dropped, and so it became harder and harder for us to be cost competitive in that market, and also, it's a really huge market, and for us to kind of prove out our technology, we'd have to be at a really large scale. So we ended up changing our first product, and now we make carbon monoxide for a small chemical manufacturer to use CO, and there's a non-trivial number of small chemical manufacturers who need carbon monoxide in their processes, pharmaceuticals for example, and that market is much smaller, we can produce smaller reactors, so we can show our technology works in this small market. We can also be extremely cost competitive, we have like a 10X cost advantage in this market for making on-sites carbon monoxide for these customers, and it ended up allowing us to not have to wait until we could be at this massive scale in order to show our, prove our technology, and it ended up being a really great decision. We were able to get a lot more buy-in from, from sort of angel investors and other people who were looking at our company. They saw that, okay, we could bring in revenue pretty early while we're testing the technology, and then we can use some of that revenue to get to our larger goal, so it was a really nice decision for us, at least it has been at the moment. We'll see how it pans out. - [Tina] Great.

- I think the most strategic decision we made or I made was who to partner with on the company. I started it without a partner, and I'd never been to Mexico, and so I, I was like, I needed to be very introspective and look at what was I good at, what was I not good at. I clearly didn't have a lot of domain expertise in Mexico, didn't know how to navigate the local landscape, so I knew I needed someone in country to co-found a company with, but I'd never worked someone, like, I wasn't in a class with someone who had, I worked closely with, and that was, you know, a great fit, and so, I worked for like nine months with a couple of different folks and just saw how it worked out. And some of you may know that co-founder breakups are the number one reasons startups fail, so, this was a huge decision. I made the wrong decision at first and then ended up firing a co-founder, although we didn't make it official, and like, that step of messy stuff definitely happens. But since then, the person we did bring on as a co-founder, Pablo Castellanos, has been incredible, and like, the only reason we've gotten this far. Everything kinda comes from your team, especially your early team, so that was by far the most strategic decision, and, I didn't make it right away, I just needed more information, and kept playing forward.